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Department for E, F, M, S/P, the Director General and Transition Team

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SUBJECT: FRANCE GOES GLOBAL --REFORM AT THE QUAI D'ORSAY

¶1. (SBU) Summary: Proposed reform at the French Ministry of Foreign and European affairs (MFA) will create a new "globalization" directorate (to be headed by E equivalent Christian Masset), designed to encourage proactive policy in dealing with global issues. In development, the MFA will focus on strategy rather than implementation, with responsibility for the latter devolving to the French Development Agency (AFD) and overseas missions, where ambassadors will have direct control and responsibility for development projects and budget management. The proposals are causing a stir, with the release of a series of controversial reports and critical press articles, some of which claim ambassadors are taking the project less-than-seriously. The reform reflects, and may reinforce, current GOF predilection for broad-based, paradigm-shifting initiatives. Through the reform, the MFA is attempting to reassert its authority in foreign policymaking. Parliament will vote on the reform in early 2009. End summary.

WHY MFA REFORM NOW

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¶2. (SBU) In response to the rise of global issues, and following a number of reports on French administrative reform, the MFA is changing its organization chart and post operations. "Diplomacy by influence" is an attempt to shape globalization through European democratic values and to promote French contributions in human rights, development policy, culture, language, and ideas.

INSTITUTIONAL MAKE-UP

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¶3. (SBU) The MFA reform aims to incorporate global issues into policymaking institutionally, and to reduce the number of MFA directorates. The International Cooperation and Development Directorate is merging with Economics and Finance to become "Global Affairs and Partnerships". It will have four poles of activity, and will be directed by current Economic Director Christian Masset, who is also the G-8 Foreign Affairs Sous-Sherpa. The "Attraction and Mobility" pole regroups all large state-led contracts and programs in economics, business development, education, science and technology. The second pole pulls together programs in "French Culture and Language," including audio-visual. The third, "Global Public Goods," will tackle global issues: environment, biodiversity, finance, energy, water, health, and migration. The fourth is "Global Economy and Development Strategies," a particularly active policy area for France, MFA officials note.

¶4. (SBU) The previous economic forecasting body transforms into a policy planning directorate. It will collect input from academia, think tanks, and civil society and focus on long term foreign policy formulation and analysis. In pushing reform, Minister Kouchner has said foreign policy is "not just about politics," the MFA needs a multidisciplinary perspective. It should carry out trend analyses, for instance on religious movements and demographic patterns. He asked French ambassadors at an annual gathering in August how they could analyze the situation in Myanmar, the Middle East, or the U.S. elections, without understanding the interplay of religion and

politics. At some embassies, existing MFA-funded archeological and social science research centers (staffed with French researchers) will reorient activities and interact with a broader realm of private and official local contacts.

CREATION OF A CRISIS CENTER

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15. (SBU) International crisis management will be centralized. The brain child of Kouchner, the MFA crisis center opened soon after the start of the French EU Presidency. Kouchner told French ambassadors its role would be pivotal in an era where "there are more crises than wars." MFA contacts said it is part of an effort to operate less reactively and demonstrate leadership through global crisis reporting and assessment. The MFA crisis center has a staff of 50, operating 24/7, with an annual budget of USD 13 million (taken from existing programs). It acts as a command center for organizing humanitarian action, coordinating efforts by French agencies, service providers in the field, NGOs, and ensuring links to foreign governments. It also monitors the welfare of French citizens abroad.

STRONGER GEOGRAPHICAL DIRECTORATES

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16. (SBU) The reform aims to give more political influence to geographical directorates, which will be spared budget cuts to better quantify, report, and oversee all GOF interagency activity in the field. The goal is to provide a broad-based integrated assessment of foreign policy initiatives, including French public services, bilateral and multilateral partners. Moreover, the MFA hopes to reclaim leadership over foreign policy areas where it has lost influence in recent years (including immigration, sustainable development and industry/commercial policy). (Comment: GOF ministries responsible for immigration, economy, and research have

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opened international offices that, in many instances, escape MFA/COM authority. End Comment.) Recognizing the growing investment of NGOs, private sector actors, and charitable foundations in global affairs, the reform is designed to better leverage MFA's limited development aid through public-private partnerships, according to our MFA contacts.

POST OPERATIONS

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17. (U) A new system of classifying embassies will result in staff cuts and significant reallocation of resources. France's 160 embassies will fall into three categories: 30 large embassies, universal in policy scope; 100 mid-sized embassies with focused missions relevant to local issues; and 30 small diplomatic "presence posts" or observation posts with younger, relatively junior and inter-functional ambassadors. (Note: MFA contacts tell us France is taking a page from the American Presence Post playbook.) France is also shifting representation geographically from OECD countries toward emergent powers and "nations in crisis". It opened four consulates in the last 18 months (Calcutta and Bangalore, India, Chengdu and Shenyang, China, Yekaterinburg, Russia, and Erbil, Northern Iraq), and a total of 16 new embassies are planned. Since 1989, 56 overseas posts have been closed, and 47 opened.

18. (SBU) On development, the MFA will increasingly rely on the field experience of its ambassadors for program implementation and interagency coordination. The COM will decide development policy, based on broad strategic goals outlined in multiyear GOF development strategies, and exercise a greater fiduciary role to improve cost-effectiveness of post operations. Cultural attaches, the French Development Agency (AFD) and (in a departure from current practice) French contractors, will report to the ambassador. AFD, which falls under the authority of both the MFA and the Ministry of Finance, will take on a more robust, overarching project management role at overseas posts.

RESULTS ORIENTED DIPLOMACY

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19. (SBU) Foreign Minister Kouchner says the changes are also designed to move the MFA toward a "culture of results." Previous performance indicators, such as the number of cables sent by posts,

are under review. In what press reports are calling a "revolutionary" move, ambassadors' compensation will be adjusted upward for hardship and danger environments (Kabul, Islamabad, Algiers, Beirut, Baghdad), while others will see salaries drop. The MFA reform is also designed to support broader GOF cost-cutting efforts. To prepare for reforms, ambassadors were to submit a three-year plan by October that would outline staff and operating cost cuts. The majority have not done so. A new Senate report criticizes MFA management for failing to press ambassadors on the importance of the exercise for moving forward with public sector reform. But Budget Minister Eric Woerth, who has responsibility for overall GOF public sector cost-cutting efforts, reports "no problem" with ambassadors in this regard.

¶10. (SBU) MFA contacts told EmbOff they are feeling the strain of reform, and the need to produce results with fewer resources. Since 2000, the MFA has reduced its operating expenses by 21 percent. From 1997 to 2007 it cut staff by 11 percent. Another 700 positions will be cut by attrition in the next three years, with only one out of every two retirees scheduled to be replaced. In the last two years this policy affected contractors and overseas technical assistance slots. But in 2009-2011 it will be expanded to career officer positions. The MFA also will consolidate its operations into a smaller number of facilities in Paris and its suburbs. Where feasible, missions abroad will be collocated with EU partners. France already has opened joint missions with Germany and the UK in some locations.

¶11. (SBU) Comment: The ambition of Kouchner's "Ministry of Globalization" is for France to influence political and economic globalization, not react to it. The reform reflects -- and may reinforce -- this government's foreign economic policy penchant for the cross-sectoral strategic approach to emerging global governance issues, whether warranted or not. Rumblings of a "post-Doha" WTO that could better account for climate change and other externalities (as very roughly sketched out on various occasions by Trade Minister Idrac and others), or the GOF's initial vision for the Global Food Partnership that would have incorporated everything from trade policy to climate change, come to mind. Should the MFA reform bear fruit (which is far from certain), it may take the form of more of these sorts of initiatives. We should welcome the opportunity to engage with France on creative, cross-disciplinary approaches to common challenges. We should be wary of efforts to dress up protectionist notions (such as "societal preferences") in the guise of new approaches to managing globalization.

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¶12. (SBU) Comment (continued): In the near-term the reform is likely to have the most impact on the implementation of French development policy. AFD and French overseas missions should emerge in a stronger position, with reinforced policy implementation responsibilities over a broader range of sectors. Presumably this could facilitate on-site donor cooperation/coordination with the French. Conversely, the profile of the French junior minister for development cooperation (currently Alain Joyandet) may be diminished. With the MFA's development directorate being subsumed into a broader "globalization" directorate, and other responsibilities being hived off to AFD, the junior minister's authority becomes more diffuse. (This cable was drafted by Embassy's 2007-2008 Transatlantic Diplomatic Fellow.)

PEKALA